**Agenda Item : 3**

**Joint Independent Audit Committee (JIAC) ACTION LOG – 19th March**

**Attendees: Members: Ann Battom (AB), John Holman (JH), Edith Watson (EW), Alicia Bruce (ABr), Alexandra Vujcich (AV)**

**Vaughan Ashcroft – Chief Finance Officer OPFCC and NCFRA (VA), Paul Bullen - Assistant Chief Officer Enabling Services (PB); Nick Alexander – Chief Finance Officer CC (NA); Kate Osborne Project Support Officer OPFCC (KO); Don Crook – NFRS Assurance Manager (DC);;**

**Internal Audit – Mazars – Sarah Knowles (SK)**

**External Audit – Grant Thornton – Laurelin Griffiths (LG); William Howard (WH)**

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| **Agenda** | **Issue** | **Actions** | **Comments/ actions** |
| 1 | Welcome and apologies |  | **Welcome –**  William Howard GT (WH)  **Apologies –**  Jonny Bugg OPFCC CEO (JB); Lisa Jackson – Business Services Area Manager (LJ); Siobhan Barnard - Grant Thornton (SB); Julie Oliver – Risk and Business Planning Manager (JO); Internal Audit Mazars – Alexander Campbell (AC); |
| 2 | Declarations of Interests |  | None |
| 3 | Meeting Log and Actions – 4th December |  | 1. NA – timeframes – we can begin to show direction of travel within reports. More suitable for annual (year long reports). Trial run to be done mid-year to integrate into reports moving forwards. 2. LJ – delays in action due to representative bodies. Ongoing conversations about personal devices. PB – exploring options for issuing devices to all. |
| 4 | Internal Auditor Progress report Mazars |  | 1. Internal audit progress report against 24/25 plan. 2. Finalised three reports – section 2 – All moderate or substantial in opinion. 3. Q AB – workforce planning moderate. Payroll had substantial with one medium priority too. SK – this score is based on assurance opinion. So looks at background and how assured auditors can be on this. inconsistency vs governance. 4. Section 3 – overview of where are with plan. In terms of issued, field work, remaining work – governance and business continuity follow up (starting today) and procurement 5. Delivery – wont be delivered by 31st March but timescales in place. No issues in place to get complete. 6. KPIs – issues – draft report at 57%. 7. Q AV – pg 7 – IT audit IT governance 6th January (in review) – exit meeting booked for 25th March. SK – this will be signed off after discussions with officers 8. EW – comment – asset management – timescales seem long – VA – difficulty with internal staff getting to the work required. 9. ABr – deferred audits – can we have the rational and is there any impact on giving overall opinion? – SK – no option to give overall opinion. VA – deferral – data quality – technical reasons for why to do later. NA – wellbeing was related to officer availability. 10. AB – when are they deferred to – SK - 2025/26 plan. There was a swap of audits to allow for another audit to move into 2024/25 11. VA – deferred audits – if there are replacements can this be stated in the report – ACTION for SK – be more explicit around this in report please. 12. SK – detailed findings – medium priority and summaries of any low priorities as back of report. 13. AV – pg 16 – some were due December/ Jan – are these completed? SK – we don’t undertake follow up of recommendations (28 to 30). Joint core financials. NA – some have been shut in Force Assurance Board and outside of FAB. 14. Operational plans and charter 15. SK planning for 2025/26 – meetings with key officers took place in December. Looked across all risk registers and used sector knowledge to try and condense into number of days within plan. Where there is a link to strategic risk this have been included within the plans. 16. These are our proposals. 17. Included internal audit strategy within the plans. And any conversations that came up with suggested inclusions have been scheduled for later years where needed. These proposals are included. 18. AB – assuming the days are the same estimated days. SK – similar but few more on police and joint plan compared to this year. But some deferred audits have included these days. 19. AB – officers have budgeted for these days. NA and VA – yes and key stakeholders are aware of the requirements for their teams too. 20. AB – wellbeing deferred – why Q3? Seems like a long deferment. NA – yes it is, but the data and wellbeing strategy needs time to embed. 21. AV – observations – fire plan – audit against cyber security risk – why closed – duplication across risk registers. Joint audit risk. 22. VA – next year might be helpful to receive the reports earlier but this can be spoken about with Mazars in due course. |
| 5 | External Auditor Progress – GT |  | 1. Have signed opinions on 2023/24 statements 2. Some disclaimed so no assurance over opening balance sheet 3. Fire – unqualified audit opinion was possible. Thanks to finance team for getting GT to that point 4. 2024/25 – planning audits in progress 5. Audit plan April 2025 for both police and fire. 6. GT where we wanted to be. Planning going smoothly. Plan to final visit in late in June. Aim to be complete in November – to be confirmed. Finalising resourcing to ensure this is achievable 7. IFRS 16 (back of report) some information. 8. AB – JIAC pleased with report and happy can move forward with GT 9. VA – grateful to GT for all the work done to ensure we have met deadlines. Found very professional and constructive relationship and looking forward to year ahead. NA would like to echo. 10. EW – happy with resourcing all around? – NA – Yes 11. Q - Will the ‘disclaimed’ be lost - GT – hopefully will have audited the numbers in both balance sheets, IandE. There will be a gap in assurance this year but it will be limited. Question mark around recovering assurance over reserves. GT will keep updated. 12. AB – extra work on fire to get fire to position – there was a cost. Was this budgeted? VA – yes upfront. And then final costs currently with PSAA at the amount agreed upfront. 13. Scale fees for 2024/25 – within budget. Are GT happy that they are going to deliver within these. LG – as long as things go to plan they should be within the scale fee. 14. AB - Wider sector updates – have members signed up for webinars? – a suggestion 15. Useful for members to receive information about these 16. AB - IFRS 16 – is there much effect? – NA – happy we will be compliant. 17. LG – raised awareness of Impact of IFRS 16 on relationship between PFCC and CC |
| 6 | Audit implementation update and internal audit recommendations PFCC and CC |  | 1. PB presented 6 monthly report to JIAC regarding police internal audit 2. Report shows that for the most part things have been delivered on time. Exception of 3 – around IT service management tool procurement. Now being implemented. Wont be done by end of March but are a good way through this implementations. So three outstanding actions will disappear too. 3. Looks at 24/25 – 10 recommendations – 5 completed and closed 5 still open. For autumn this year. No reason to suspect wont be delivered 4. AB – before there was 10 audits with 41 recommendations now 110 with fewer – looks like a positive direction of travel. 5. PB – try to target audits to where there are risks 6. Q - EW – what has been the problem with procurement – PB no one thing, catalogue of things. EW lifecycle? – PB – don’t know 3 + 1 7. Q - KO – impact of procurement act on timescales. NA – in the first instance yes but planning around known stuff will make the process easier. 8. Compliance and frameworks around new ways to procure. 9. PB – additional challenge around additional frameworks is they come with set terms – we cant then have own additionality, 10. EW – offer overview information of telephony organisations should PB/ NA require it. 11. PB – estates and facilities local framework and IT frameworks help with the two main spend areas. 12. JB – succession planning – is the framework in place and just needs staff? And do staff make decisions about moving forwards? – PB – easier for police officers as there is a rank structure. Staff probably bigger challenge. Training and development action within report is being looked at to ensure succession planning is in place to fill gaps. 13. Workforce planning manager – leads with this. |
| 7 | HMICFRS update - CC |  | 1. PB presents – 2. Picture from previous inspection 2023 – 2 requires improvements – set in place a whole level of governance around continuous improvement board 3. Do self inspection regime – self assessment against inspection programme 4. Expecting next inspection early 2026 5. HMIC force liaison is ‘pre inspection activity’ March 2025 6. Gone through all of new areas (change of inspection criteria) and have self assessed to see where we are. 7. One big area under focus – understanding demand. 8. Progress is tracked through continuous improvement board and looks to be heading int the right way 9. Thematic inspections – national child protection inspections – awaiting report. No surprises in their finding reflects the self assessment conclusions 10. Further plans for internal assurance processes. 11. AB – PEEL inspections March 2025 – field work with inspection expected early 2026. PB explained process of inspections and field work and expectations around themes of questioning. 12. AB – acronyms – next steps – PAF – (pg 98) Police Assessment Framework. NCPI – National Child Protection Inspection. FLL – Force Liaison Lead. Plan – should this be 2025? Yes 13. ABr – AFI – Areas for Improvement 14. AV – pg 97 – green and red? What does that mean? – PB – this was saying areas where it feels more of a risk. the demand assessment (resource attached) and corporate governance framework (meeting structures and accountabilities). These are now owned. To understand demand on something that doesn’t stand still is a national problem. Difficult to assess but are working out methods to measure and understand 15. AB – pg 105 – project Sherlock? Specific to Northamptonshire? – PB – yes it is our response to area for improvement relating to investigations. |
| 8 | Treasury Management Strategy  CC and PFCC  NCFRA |  | 1. “OPFCC” as CC cannot hold assets 2. No great changes from last year 3. NA – table 1 – sets out broadly net borrowing to 2030 – unsurprisingly have borrowing need. Largely driven to borrow for estates programme. 4. Looking at affordability and requirements – cheaper to buy than build 5. AB – 2025/26 – we have a plan for the capital programme? Is it on track? VA – if anything these figures might push the plan down the road. Budgets set before outturn. Delays in planning permissions, specs, surveyors, architects and time taken to consult with them all. 6. NA – ensuring it is all affordably – doing this through being prudent. 7. PB – capital programme have got better at the day to day and anticipating what we might need. 8. EW – what happens if the planning regime changes massively? – would you change the timescales. NA – yes would impact other processes too. 9. NA – reality now near 5% but we look year hence 3.75% . if we did need to borrow we would but it would be short term. 10. NA differentials between projection now and 2026. 11. AV – table 1 – the jump from 27/28 to 28/29 – is there a big expenditure planned. NA there are buildings planned in each of those years. 12. JH – does this link into an estates strategy? – PB – meeting next week with a PFCC, CFO, CC – different view of the individual estate requirements compared to their predecessors. 13. NA – 5.2 – very fortunate this year in relation to cash surplus. This will change next year but still expecting to be above earlier years but not as significant as this year 14. NA – item 6 – possible future interest rates so don’t want to ty into them. Also looking at benefits of fixed and variable rates 15. NA – sources of borrowing PWLB first port of call, then local authorities and also intra-borrow with NCFRA. 16. NA – national interest in Minimum Revenue provision – a number of s151 audit queries and national papers around MRP are prudent. 17. NA – investment strategy – 11.3 – notice we are expecting interest in over £800K compare to budget assumption of £220K. 18. Next year again – upped budget again due to income expectations. 19. AB – interest – bit volatile at present “trump effect” are we still hopeful? – NA actually yes. Whilst trump effect might be detrimental in the UK there might be positives. 20. NA – pensions report in surplus. 21. NA – table 15 – effects of borrowing and the requirement around revenue contribution to capital. In position that it is affordable. Offsetting against cost of borrowing. 22. NCFRA 23. NA – attention we have been able to exceed budget – 1.) had cash available 2.) we have been more aggressive in making sure we are keeping money locally and working carefully with people delivering transport, estates, equipment so we can make loner term decisions about outgoings. 24. NA – table 15 – this has always been the plan but when you take over governance of body with no debt but deficit in transport and buildings – we have a budget of £618K the service cannot revenue fund the service. 25. VA – naturally have to have borrowing at some point to do the work that was required. 26. NCFRA capital programme includes things that HAVE to be done.   Approved for website publishing. |
| 9 | Agenda plan |  | 1. Get rid of EY line 2. 18th June workshop – topic – estates plan briefing. |
| 10 | AOB |  | Confirm future dates (proposed in agenda)  Discuss topic for June Workshop.  Member tenure (John and Edith) - recruitment |
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| 12 | NCFRA Risk Register (including policy as appendix) |  | 1. 9 risks as we have previously – slight changes and movements 2. 6 high risk 3. 3 in medium risk 4. New risks – recognition of contaminants exposure. Lots of work – mapping buildings to limit exposure 5. AB – why is it a new risk? – DC risk of awareness, prevalence and recognition of what that means. 6. Increasing risk since last time – resilient and functioning fire control. IT infrastructure and systems (upgrades) and the way in which control room is operated with the resources available. 7. JH – is there reciprocal arrangements for sharing control rooms? DC – yes 8. DC – resilience to go down, but known risk involves improvements. 9. Decreasing risks – culture change – based on HMI inspection. Nationally there have been other things raised around the fire sector. AB – still a high risk? – DC – yes. Relating to points of failure. (staff member in charge is off) 10. HMI inspection expected May 2025. 11. Cyber security moved to another overarching risk register – DDaT 12. Tolerated risks now added as part of the report to JIAC 13. 2 changes – 1.) complete review of risk policy is pending and 2.) changing the way we record and evaluate risk within the organisation. (including aligning and also helping with the assessment of shared risks) 14. JH – likelihood / impact increasing – so worsening risks? Not necessarily new risk just increasing impact 15. JH – explanation of tolerated risks? – why not just reduce likelihood – DC because of the current scoring mechanism that is the way it is. with the review this will change risks to ensure those which are departmental risks are recorded as such. 16. AV – how do you plan to capture emerging risks? – DC – in two areas – strategic risk analysis document reviewed annually. |